

Issue No.	Statement of Issue	Petitioners' Proposed Contract Language	Petitioners' Rationale	Verizon's Proposed Contract Language	Verizon Rationale
		<p>damaging MCI^m Communications Facilities and shall make an immediate report to MCI^m of the occurrence of any such damage caused by its employees, agents or contractors, and Verizon assumes all responsibility for any and all direct loss from such damage caused by Verizon's employees, agents or contractors. Verizon shall not be liable to MCI^m for any interruption of MCI^m's service or for interference with the operation of MCI^m's Communications Facilities.</p> <p>14.2 MCI^m shall exercise reasonable caution to avoid damaging the facilities of Verizon and of others attached to Poles, or occupying Conduits or Rights of Way, and shall make an immediate report to the owner of facilities so damaged and MCI^m assumes all responsibility for any and all direct loss from such damage caused by MCI^m's employees, agents or contractors. MCI^m shall not be liable to Verizon for any interruption of Verizon's service or for interference with the operation of Verizon's communications facilities.</p> <p>14.3 MCI^m shall promptly advise Verizon of all claims relating to damage of property or injury to or death of persons, arising or alleged to have arisen in any manner by the erection, maintenance, repair,</p>	<p>interconnection agreement that includes the rights of way issues," the 1997 WorldCom/Verizon agreement includes a complete set of terms regarding rights of way issues, including these very sections. See Verizon's Response to Issue III-13, page 146. This section serves both parties' interests. It requires reasonable caution, issuance of an immediate report if damage occurs, specifies that each party will be directly liable for damage caused by its employees, agents and contractors and provides that a party shall not be liable for interruption in the other party's service. The agreement should contain this provision because it defines the rights and obligations of the Parties, avoids ambiguity, and adds certainty to the contract.</p>	<p>and 271(c)(2)(B)(iii) of the Act), each Party ("Providing Party") shall afford the other Party non-discriminatory access to poles, ducts, conduits and rights-of-way owned or controlled by the Providing Party. Such access shall be provided in accordance with Applicable Law pursuant to the Providing Party's applicable Tariffs, or, in the absence of an applicable Providing Party Tariff, the Providing Party's generally offered form of license agreement, or, in the absence of such a Tariff and license agreement, a mutually acceptable agreement to be negotiated by the Parties.</p> <p>See Exhibit D—Verizon's Standard Licensing Agreement</p>	

KEY WHERE DISTINCTION AMONG PETITIONERS IS NECESSARY: **WorldCom** (bold); Cox (underline text); *AT&T* (italic).

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		<p>replacement, presence, use or removal of MCIm's facilities. Copies of all accident reports and statements made to MCIm's insurer by MCIm or others shall be furnished promptly to Verizon. Similarly, Verizon shall promptly advise MCIm of all claims relating to damage of property or injury to or death of persons, arising or alleged to have arisen in any manner by the erection, maintenance, repair, replacement, presence, use or removal of Verizon's facilities where MCIm Communication Facilities are involved in such claim. Copies of all related accident reports and statements made to Verizon's insurer by Verizon or others shall be furnished promptly to MCIm.</p> <p>14.4 Except as expressly provided in this Attachment VI, the Parties indemnification and liability obligations with respect to the use of Poles, Conduits and Rights of Way shall be as provided for in Part A of the Agreement.</p>			
III-13(o)	Should the Interconnection Agreement contain detailed provisions concerning the type, amount and terms of insurance required?	<p>Attachment VI, Section 15 et seq.</p> <p>Section 15. Insurance</p> <p>15.1 MCIm shall obtain and maintain insurance issued by an insurance carrier authorized to conduct business in Verizon's operating region and having an A.M. Best rating of not less than A-VII to protect Verizon and other</p>	<p>Yes. Right of way issues are appropriately addressed in interconnection agreements. See Sections 252(a) and 251(b)(4). Contrary to Verizon's statement that "it is unaware of any interconnection agreement that includes the rights of way issues," the 1997 WorldCom/Verizon agreement includes a complete set of terms regarding rights of way</p>	<p>9 Poles, Ducts, Conduits and Rights-of-Way</p> <p>To the extent required by Applicable Law (including, but not limited to, Sections 224, 251(b)(4) and 271(c)(2)(B)(iii) of the Act), each Party ("Providing Party") shall afford the other Party non-discriminatory access to poles, ducts, conduits and rights-of-way</p>	See Verizon rationale for Issue III-13.

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		<p>authorized user of transport structures from and against all claims, demands, causes of actions, judgments, costs, including attorneys' fees, expenses and liabilities of every kind and nature which may arise or result from or by reason of any negligent or wrongful act of MCIm related to activities covered by this Attachment VI.</p> <p>15.2 The amounts of such insurance:</p> <p>15.2.1 against liability due to damage to property shall be not less than \$2,000,000 as to any one occurrence and \$2,000,000 aggregate, and</p> <p>15.2.2 against liability due to injury or death of persons shall be not less than \$2,000,000 as to any one person and \$2,000,000 as to any one occurrence.</p> <p>15.3 MCIm shall name Verizon as an additional insured and shall provide certificates by each company insuring MCIm to the effect that it has insured MCIm for all liabilities of MCIm covered by this Agreement and that it will not cancel any such policy of insurance issued to MCIm except after thirty (30) days written notice to Verizon.</p> <p>15.4 All insurance required in accordance with Sections [15.1] and</p>	<p>issues, including these very sections. See Verizon's Response to Issue III-13, page 146. These provisions specify the type and amount of insurance which WorldCom must maintain. They also specify that WorldCom may elect to self-insure in lieu of obtaining insurance. It is clearly in Verizon's interest to require that WorldCom be insured. The agreement should contain this provision because it defines the rights and obligations of the Parties, avoids ambiguity, and adds certainty to the contract.</p>	<p>owned or controlled by the Providing Party. Such access shall be provided in accordance with Applicable Law pursuant to the Providing Party's applicable Tariffs, or, in the absence of an applicable Providing Party Tariff, the Providing Party's generally offered form of license agreement, or, in the absence of such a Tariff and license agreement, a mutually acceptable agreement to be negotiated by the Parties.</p> <p>See Exhibit D—Verizon's Standard Licensing Agreement</p>	

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		<p>[15.2] above must be effective before Verizon will authorize attachment to a Pole, or occupancy of Conduit or Rights of Way, and shall remain in force until such MCIIm's facilities have been removed from all such Poles, Conduits or Rights of Way. In the event that MCIIm shall fail to maintain the required insurance coverage, Verizon may pay any premium thereon falling due, and MCIIm shall forthwith reimburse Verizon for any such premium paid.</p> <p>15.5 Notwithstanding the foregoing, if MCIIm's net worth exceeds \$100,000,000, MCIIm may elect to self-insure in lieu of obtaining any of the insurance required by this Section [15]. If MCIIm self insures, MCIIm shall furnish to Verizon, and keep current, evidence of such net worth. If MCIIm self insures, MCIIm shall release, indemnify, defend, and hold Verizon harmless against all losses, costs (including reasonable attorney's fees), damages, and liabilities resulting from claims that would otherwise have been covered by the foregoing insurance requirements (including without limitation claims alleging negligence or breach of contract).</p>			
III-13(p)	Should the Interconnection Agreement specify the non-exclusivity of any grant in the agreement and the terms under which	<p>Attachment VI, Sections 16 and 17:</p> <p>Section 16. Authorization Not Exclusive</p>	Yes. Right of way issues are appropriately addressed in interconnection agreements. See Sections 252(a) and 251(b)(4).	<p>9 Poles, Ducts, Conduits and Rights-of-Way</p> <p>To the extent required by</p>	See Verizon rationale for Issue III-13.

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	WorldCom could assign or transfer any license arising from the agreement?	<p>16.1 Nothing herein contained shall be construed as a grant of any exclusive authorization, right or privilege to MCI. Subject to the provisions of this Agreement, Verizon shall have the right to grant, renew and extend rights and privileges in a Non-Discriminatory manner to others not parties to this Agreement, by contract or otherwise, to use any Pole, Conduit or Right of Way covered by this Attachment VI.</p> <p>Section 17. Assignment of Licenses</p> <p>17.1 MCI shall not assign or transfer any license or any authorization granted under this Attachment VI, and such licenses shall not inure to the benefit of MCI's successors or assigns, without the prior written consent of Verizon unless such transfer of rights is made pursuant to an assignment of this Agreement pursuant to the provisions of Part A, Section [3] (Assignment). Verizon shall not unreasonably withhold such consent. In the event such consent or consents are granted by Verizon, then prior to such assignment becoming effective the assignee shall be required to execute Verizon's generally available license agreement covering the affected licenses.</p>	<p>Contrary to Verizon's statement that "it is unaware of any interconnection agreement that includes the rights of way issues," the 1997 WorldCom/Verizon agreement includes a complete set of terms regarding rights of way issues, including these very sections. See Verizon's Response to Issue III-13, page 146. These provisions maintain Verizon's ability to grant rights and privileges to other carriers and also specify the procedures under which WorldCom may assign or transfer a license. The agreement should contain these provisions because they define the rights and obligations of the Parties, avoid ambiguity, and add certainty to the contract.</p>	<p>Applicable Law (including, but not limited to, Sections 224, 251(b)(4) and 271(c)(2)(B)(iii) of the Act), each Party ("Providing Party") shall afford the other Party non-discriminatory access to poles, ducts, conduits and rights-of-way owned or controlled by the Providing Party. Such access shall be provided in accordance with Applicable Law pursuant to the Providing Party's applicable Tariffs, or, in the absence of an applicable Providing Party Tariff, the Providing Party's generally offered form of license agreement, or, in the absence of such a Tariff and license agreement, a mutually acceptable agreement to be negotiated by the Parties.</p> <p>See Exhibit D—Verizon's Standard Licensing Agreement</p>	
III-13(q)	Should the Interconnection Agreement contain detailed	Attachment VI, Sections 18 and 19	Yes. Right of way issues are appropriately addressed in	9 Poles, Ducts, Conduits and Rights-of-Way	See Verizon rationale for Issue III-13.

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	provisions regarding additional circumstances under which Verizon is entitled to terminate any license authorized by the agreement, WorldCom's responsibilities under these circumstances and the general term of licenses under the agreement?	<p>Section 18. Additional Terminations</p> <p>18.1 Subject to provisions of Section [17] of this Attachment, should MCI^m cease to provide its Telecommunications Services in or through the area covered by any license under this Attachment VI on other than a demonstrably temporary basis not to exceed six (6) months, then MCI^m's rights, privileges and authorizations under any such license issued hereunder shall automatically terminate as of the date following the final day that such Telecommunications Services are provided.</p> <p>18.2 Subject to Section [18.3] of this Attachment, Verizon shall have the right to terminate any license issued hereunder whenever MCI^m is in default of any material term of this Agreement, including, but not limited to, the following conditions, as applicable to the affected facilities:</p> <p>18.2.1 If MCI^m uses its Communications Facilities or maintains such facilities in violation of any Applicable Law or in aid of any unlawful act or undertaking; or</p> <p>18.2.2 Subject to Section [10.1] of this Attachment, if any authorization which may be required of MCI^m by any</p>	<p>interconnection agreements. See Sections 252(a) and 251(b)(4). Contrary to Verizon's statement that "it is unaware of any interconnection agreement that includes the rights of way issues," the 1997 WorldCom/Verizon agreement includes a complete set of terms regarding rights of way issues, including these very sections. See Verizon's Response to Issue III-13, page 146.</p>	<p>Rights-of-Way</p> <p>To the extent required by Applicable Law (including, but not limited to, Sections 224, 251(b)(4) and 271(c)(2)(B)(iii) of the Act), each Party ("Providing Party") shall afford the other Party non-discriminatory access to poles, ducts, conduits and rights-of-way owned or controlled by the Providing Party. Such access shall be provided in accordance with Applicable Law pursuant to the Providing Party's applicable Tariffs, or, in the absence of an applicable Providing Party Tariff, the Providing Party's generally offered form of license agreement, or, in the absence of such a Tariff and license agreement, a mutually acceptable agreement to be negotiated by the Parties.</p> <p>See Exhibit D—Verizon's Standard Licensing Agreement</p>	

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		<p>governmental or private authority for the construction, operation, and maintenance of MCI's Communications Facilities is denied or revoked; or</p> <p>18.2.3 If MCI's insurance carrier shall at any time notify Verizon or MCI that the policy or policies of insurance, required under Section [15] of this Attachment, will be canceled or if Verizon reasonably determines that the requirements of Section [15] of this Attachment will no longer be satisfied.</p> <p>18.3 Verizon will promptly notify MCI in writing of any condition(s) applicable to [18.1] and [18.2] above specifying the license and facilities in question. MCI shall take immediate corrective action to eliminate any such condition(s) and shall confirm in writing to Verizon within thirty (30) days following receipt of such written notice that the cited condition(s) has ceased or been corrected. If MCI fails to discontinue or correct such condition(s) and fails to give the required confirmation, Verizon shall so notify MCI and thereafter may immediately terminate MCI's licenses for the affected facilities under this Attachment VI. Notwithstanding the foregoing, in the event that such corrective action is incapable of</p>			

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		<p>correction within thirty (30) days, MCI shall initiate such corrective action within the thirty (30) day period referred to above and shall be allowed a reasonable time to complete such correction before MCI is considered in default under this Section [18]. MCI shall use its best efforts to complete such correction as soon as possible.</p> <p>18.4 In the event of termination of this Agreement, MCI shall remove its Communications Facilities from the affected Poles, Conduits and Rights of Way within six (6) months from the date of such termination; provided, however, that MCI shall be liable for and pay all fees and charges pursuant to terms of this Attachment VI to Verizon until MCI's Communications Facilities are actually removed from Verizon's Poles, Conduits and Rights of Way.</p> <p>18.5 If MCI does not remove its Communications Facilities from Verizon's Poles, Conduits and Rights of Way within the applicable time periods specified in this Attachment VI, Verizon shall have the right to remove them at the expense of MCI and without any liability on the part of Verizon to MCI therefor.</p> <p>Section 19. Term of Licenses</p> <p>19.1 All licenses issued hereunder</p>			

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		<p>shall continue in effect until the Agreement expires or is terminated, unless earlier terminated by MCI in accordance with this Attachment VI.</p> <p>19.2 Termination of licenses shall not affect MCI's liabilities and obligations incurred with respect thereto prior to the Effective Date of such termination.</p>			

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JOINT DECISION POINT LIST VII

(PRICING TERMS & CONDITIONS)

WorldCom, Cox, AT&T ads. Verizon
(Docket Nos. 00-218, 00-249, and 00-251)

ISSUE NUMBERING KEY:

- Category I: (1) unique to Cox or common to (2) Cox and **WorldCom**, (3) Cox and *AT&T*, or (4) all Petitioners
 Category II: common to **WorldCom** and *AT&T* (pricing/costing)
 Category III: common to **WorldCom** and *AT&T* (non-pricing/non-cost)
 Category IV: unique to WorldCom
 Category V: unique to AT&T
 Category VI: Verizon supplemental issues with WorldCom
 Category VII: Verizon supplement issues with AT&T

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Pricing Terms & Conditions					
1-9	<p>May Verizon place a cap on WorldCom's charges to Verizon at the level of Verizon's charges to WorldCom?</p> <p><u>Verizon may not limit or control rates and charges that Cox may assess for its services, facilities and arrangements.</u></p> <p><i>Price Caps on CLEC Services Can Verizon limit or control rates and charges that AT&T may assess for its services, facilities and arrangements?</i></p>	<p>WorldCom rejects Verizon's proposed language. There should be no language in the agreement allowing Verizon to cap WorldCom's charges.</p> <p><u>20.3 The rates and charges set forth in Exhibit A shall be superseded by any new rate or charge when such new rate or charge is required by any order of the Commission or the FCC, approved by the Commission or the FCC, or otherwise allowed to go into</u></p>	<p>Federal law does not authorize Verizon to cap WorldCom's charges because nothing in the Act authorizes Verizon to limit or control a CLEC's charges to an ILEC for services, facilities, and arrangements. WorldCom's rates are valid under state law so long as they are lawfully tariffed at the state level. Therefore Verizon cannot cap these charges.</p> <p>POSITION:</p>	<p>3.0 **CLEC Prices</p> <p>Notwithstanding any other provision of this Agreement, the Charges that **CLEC bills Verizon for **CLEC's Services shall not exceed the Charges for Verizon's comparable Services, except to the extent the **CLEC has demonstrated to Verizon, or, at Verizon's request, to the Commission or the FCC, that **CLEC's cost to provide such **CLEC Services to Verizon</p>	<p>The Petitioners' rates and charges are subject to the same reasonableness requirements that apply to Verizon. Verizon's proposal on rate caps for the Petitioners' services mirrors how the Virginia Commission regulates CLEC retail services. The Petitioners', however, misstate the applicable law that applies with regard to what they may charge for their services. Verizon's rate cap proposal is fair and consistent with applicable law.</p>

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	<p><i>[ATT also numbers this issue I-2]</i></p> <p><u>effect, provided such new rates or charges are not subject to a stay issued by any court of competent jurisdiction.</u></p> <p>EXHIBIT A X. All Other Cox Services Available to Verizon for Purposes of Effectuating Interconnection: Available at Cox's tariffed or otherwise generally available rates.</p> <p>EXHIBIT A [Cox proposes to delete Verizon's proposed entries at IV.]</p> <p><i>Specific contract terms and conditions on this subject are unnecessary and inappropriate as Verizon has no authority to impose price caps on AT&T or otherwise control AT&T's rates for services, functions and facilities.</i></p>	<p><u>effect, provided such new rates or charges are not subject to a stay issued by any court of competent jurisdiction.</u></p> <p>EXHIBIT A X. All Other Cox Services Available to Verizon for Purposes of Effectuating Interconnection: Available at Cox's tariffed or otherwise generally available rates.</p> <p>EXHIBIT A [Cox proposes to delete Verizon's proposed entries at IV.]</p> <p><i>Specific contract terms and conditions on this subject are unnecessary and inappropriate as Verizon has no authority to impose price caps on AT&T or otherwise control AT&T's rates for services, functions and facilities.</i></p>	<ul style="list-style-type: none"> • Verizon's attempt to place caps on the charges that Cox may assess for its services, facilities and arrangements is contrary to the Act and the Commission's rules. • Under federal law, Cox is a non-dominant carrier and its rates are presumptively lawful. • Under Virginia law, Cox's rates are subject only to price caps and not to rate of return regulation. Under the VSCC's price cap regulations, rates above those charged by the ILEC are permitted "unless there is a showing that the public interest will be harmed" and even these rate regulations do not apply to any services "comparable to services classified as competitive for the incumbent." • The Act does not give a state commission (or, by extension, the Commission) the power to set CLEC rates for anything other than reciprocal compensation. The only rate-setting provisions of section 252 of the Act apply exclusively to ILECs. • There is no comparable authority to set rates for CLECs and, as the Commission has held, under 47 C.F.R. § 51.223, states do not have 	<p>exceeds the Charges for Verizon's comparable Services.</p> <p>20.3 The rates and charges set forth in Exhibit A shall be superseded by any new rate or charge when such new rate or charge is required by any order of the Commission or the FCC, approved by the Commission or the FCC, or otherwise allowed to go into effect, provided such new rates or charges are not subject to a stay issued by any court of competent jurisdiction; provided, further that Cox may not charge Verizon a rate higher than the Verizon rates and charges for the same services, facilities and arrangements.</p> <p>See Exhibit A, Part B §§ IV and X, to Verizon's proposed interconnection agreement with Cox.</p> <p>20.3 Notwithstanding any other provision of this Agreement, AT&T may not charge Verizon a rate higher than the Verizon rates and charges for the comparable services, facilities and arrangements, except if and, to the extent that, AT&T has demonstrated to Verizon's (or the Commission's or FCC's) satisfaction, that AT&T's cost to provide such AT&T services to Verizon exceeds the rates and charges for Verizon's comparable services (and the Commission or the FCC, as the case</p>	

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			<p>the power to impose <u>any</u> interconnection obligations on <u>CLECs other than those in the Act</u>. Thus, the Act precludes the Commission from capping Cox's rates as proposed by Verizon.</p> <ul style="list-style-type: none"> • The Commission has determined that it can rely on the complaint process to address any potentially unreasonable rates charged by nondominant carriers, such as CLECs. • Nothing in the agreement would prevent Verizon from seeking state or federal action to reduce any excessive rates under Cox's tariffs. <p>DISPUTED ISSUES OF FACT: In this initial submission of the Joint Decision Point List, the parties are unable to list the disputed issues of fact. The parties will furnish a listing of all disputed issues of fact in the revised Joint Decision Point List that is due to be filed one week after discovery responses are due.</p> <p>ADMISSIONS/ STIPULATIONS: Admissions and stipulations of fact will be addressed by the parties during the discovery stage of this proceeding. Accordingly, the parties will furnish relevant admissions or stipulations of fact in the revised</p>	<p><i>may be, has issued an unstayed order directing that Verizon pay the higher rate or charge).</i></p>	

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			<p><u>Decision Point List that is due to be filed one week after the completion of discovery.</u></p> <p><i>Nothing in the Act authorizes VZ-VA to limit or control a CLEC's charges to an ILEC for services, facilities, and arrangements. With that general principle in mind, VZ-VA's attempt to place caps on the charges that AT&T charges for its services, facilities and arrangements is not supported by the Act or the Commission's rules. Verizon's attempt to impose such caps unilaterally removes the market mechanism as a method to control prices and eliminates the authority of regulatory bodies over rates and charges. (See also I-2)</i></p>		
III-18	<i>Tariffs v. Interconnection Agreements</i> Should tariffs supercede interconnection rates, terms and conditions?	<p>Part A, Sections 1.3, 1.3.1 – 1.3.3.</p> <p>1.3 The Parties acknowledge that some of the services, facilities and arrangements provided pursuant to this Agreement are or will be available under and subject to the terms of the federal or state Tariffs of the Party providing them. To the extent that a Tariff of a Party applies to any service, facility or arrangement provided pursuant to this Agreement, the following shall apply:</p> <p>1.3.1 The rates and charges set forth in Attachment I shall remain</p>	<p>This provision is necessary because it clarifies the relationship between the Interconnection Agreement and Tariffs, thereby precluding Verizon or WorldCom from filing a tariff that would govern or supercede the services and arrangements of the agreement in an inconsistent manner from that established in the agreement. In sum, the relationship between the parties is, and should be, governed by the agreement.</p> <p><i>Verizon should not be able, simply by filing a tariff, to alter the rates, terms and conditions contained in the</i></p>	<p>1. The Agreement</p> <p>1.1 This Agreement includes: (a) the Principal Document; (b) the Tariffs of each Party applicable to the Services that are offered for sale by it in the Principal Document (which Tariffs are incorporated and made a part hereof this Agreement by reference); and, (c) an Order by a Party that has been accepted by the other Party.</p> <p>1.2 Conflicts among provisions in the Principal Document, Tariffs, and an Order by a Party which has been accepted by the other Party,</p>	<p>WorldCom's and AT&T's position regarding tariffs and interconnection rates, terms and conditions should not survive cursory scrutiny. Both Petitioners complain about the "meaningless" and "uncertainty" of tariffs superceding rates in interconnection agreements. Contrary to AT&T's and WorldCom's argument, there is nothing unilateral about the approval of a tariff. Virginia law provides that any interested party may participate before the Virginia Commission upon a tariff application made by Verizon. Further, if tariff rates actually decrease, not increase, the Petitioners</p>

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		<p>fixed for the term of this Agreement or until superseded by such rates as may be approved by the Commission or FCC, notwithstanding that either of such rates may be different from those set forth in any effective, pending or future Tariff of the providing Party, (including any changes or modifications to any such Tariff--or any new Tariff--filed after the Effective Date of this Agreement); provided, however, this Section [1.3.1] shall remain subject to Section [1.3.3].</p> <p>1.3.2 This Agreement and any applicable Tariffs of either Party shall be construed whenever possible to avoid any conflict between them. The fact that a condition, term, right or obligation appears in the Agreement and not in a Tariff, or in a Tariff but not in the Agreement, shall not be interpreted as, or deemed grounds for finding, a conflict for the purposes of this Section [1.3].</p> <p>1.3.3 Any change or modification to any Tariff (including any Tariff filed after the Effective Date hereof) filed by either Party that materially and adversely impacts the provision or receipt of services hereunder or which materially and adversely alters the terms hereof</p>	<p><i>contract. To the extent that the rates, terms or conditions in such tariffs appropriately supplement the interconnection agreement, those tariffs should be specifically referenced in the agreement.</i></p>	<p>shall be resolved in accordance with the following order of precedence, where the document identified in subsection "(a)" shall have the highest precedence: (a) the Principal Document; (b) the Tariffs; and, (c) an Order by a Party that has been accepted by the other Party. The fact that a provision appears in the Principal Document but not in a Tariff, or in a Tariff but not in the Principal Document, shall not be interpreted as, or deemed grounds for finding, a conflict for the purposes of this Section 1.2.</p> <p>1.3 This Agreement constitutes the entire agreement between the Parties on the subject matter hereof, and supersedes any prior or contemporaneous agreement, understanding, or representation, on the subject matter hereof. Except as otherwise provisioned in the Principal Document, the Principal Document may not be waived or modified except by a written document that is signed by the Parties. Subject to the requirements of Applicable Law, a Party shall have the right to add, modify, or withdraw, its Tariff(s) at any time, without the consent of, or notice to, the other Party.</p>	<p>would receive the lower tariffed rate because Verizon cannot prevent them from purchasing out of a commission-approved tariff. AT&T and WorldCom, therefore, would be allowed to "pick and choose" between tariffed rates and an interconnection rate. Petitioners should not be allowed to "pick and choose," rendering the tariff process meaningless.</p>

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		<p>shall only be effective against the other Party to the extent permitted by: (i) that Party's written consent; or (ii) an affirmative order of the Commission. Each Party shall file any required Tariff revisions, modifications or amendments in order to comply with Applicable Law and to continue performance of this Agreement in a lawful manner.</p> <p><i>Verizon should not be permitted to materially alter the provisions of its interconnection agreements by filing tariffs subsequently.</i></p>		<p>4. Applicable Law</p> <p>4.1 The construction, interpretation and performance of this Agreement shall be governed by (a) the laws of the United States of America and (b) the laws of the State [Commonwealth] of [STATE], without regard to its conflicts of laws rules. All disputes relating to this Agreement shall be resolved through the application of such laws.</p> <p>4.2 Each Party shall remain in compliance with Applicable Law in the course of performing this Agreement.</p> <p>4.3 Neither Party shall be liable for any delay or failure in performance by it that results from requirements of Applicable Law, or acts or failures to act of any governmental entity or official.</p> <p>4.4 Each Party shall promptly notify the other Party in writing of any governmental action that limits, suspends, cancels, withdraws, or otherwise materially affects, the notifying Party's ability to perform its obligations under this Agreement.</p> <p>4.5 If any provision of this Agreement shall be invalid or</p>	

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				<p>unenforceable under Applicable Law, such invalidity or unenforceability shall not invalidate or render unenforceable any other provision of this Agreement, and this Agreement shall be construed as if it did not contain such invalid or unenforceable provision; provided, that if the invalid or unenforceable provision is a material provision of this Agreement, or the invalidity or unenforceability materially affects the rights or obligations of a Party hereunder or the ability of a Party to perform any material provision of this Agreement, the Parties shall promptly renegotiate in good faith and amend in writing this Agreement in order to make such mutually acceptable revisions to this Agreement as may be required in order to conform the Agreement to Applicable Law.</p> <p>4.6 If any legislative, regulatory, judicial or other governmental decision, order, determination or action, or any change in Applicable Law, materially affects any material provision of this Agreement, the rights or obligations of a Party hereunder, or the ability of a Party to perform any material provision of this Agreement, the Parties shall promptly renegotiate in good faith</p>	

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				<p>and amend in writing this Agreement in order to make such mutually acceptable revisions to this Agreement as may be required in order to conform the Agreement to Applicable Law.</p> <p>4.7 Notwithstanding anything in this Agreement to the contrary, if, as a result of any legislative, judicial, regulatory or other governmental decision, order, determination or action, or any change in Applicable Law, Verizon is not required by Applicable Law to provide any Service, payment or benefit, otherwise required to be provided to **CLEC hereunder, then Verizon may discontinue the provision of any such Service, payment or benefit, and **CLEC shall reimburse Verizon for any payment previously made by Verizon to **CLEC that was not required by Applicable Law. Verizon will provide thirty (30) days prior written notice to **CLEC of any such discontinuance of a Service, unless a different notice period or different conditions are specified in this Agreement (including, but not limited to, in an applicable Tariff) or Applicable Law for termination of such Service in which event such specified period and/or conditions shall apply.</p>	

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				<p>PRICING ATTACHMENT</p> <p>1. General</p> <p>1.1 As used in this Attachment, the term "Charges" means the rates, fees, charges and prices for a Service.</p> <p>1.2 Except as stated in Section 2 or Section 3, below, Charges for Services shall be as stated in this Section 1.</p> <p>1.3 The Charges for a Service shall be the Charges for the Service stated in the Providing Party's applicable Tariff.</p> <p>1.4 In the absence of Charges for a Service established pursuant to Section 1.3, the Charges shall be as stated in Appendix A of this Pricing Attachment.</p> <p>1.5 The Charges stated in Appendix A of this Pricing Attachment shall be automatically superseded by any applicable Tariff Charges. The Charges stated in Appendix A of this Pricing Attachment also shall be automatically superseded by any new Charge(s) when such new Charge(s) are required by any order of the Commission or the FCC, approved by the Commission</p>	

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				<p>or the FCC, or otherwise allowed to go into effect by the Commission or the FCC (including, but not limited to, in a Tariff that has been filed with the Commission or the FCC), provided such new Charge(s) are not subject to a stay issued by any court of competent jurisdiction.</p> <p>1.6 In the absence of Charges for a Service established pursuant to Sections 1.3 through 1.5, if Charges for a Service are otherwise expressly provided for in this Agreement, such Charges shall apply.</p> <p>1.7 In the absence of Charges for a Service established pursuant to Sections 1.3 through 1.6, the Charges for the Service shall be the Providing Party's FCC or Commission approved Charges.</p> <p>1.8 In the absence of Charges for a Service established pursuant to Sections 1.3 through 1.7, the Charges for the Service shall be mutually agreed to by the Parties in writing.</p> <p>2. Verizon Telecommunications Services Provided to **CLEC for Resale Pursuant to the Resale Attachment</p> <p>2.1 <u>Verizon Telecommunications</u></p>	

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				<p>Services for which Verizon is Required to Provide a Wholesale Discount Pursuant to Section 251(c)(4) of the Act.</p> <p>2.1.1 The Charges for a Verizon Telecommunications Service purchased by **CLEC for resale for which Verizon is required to provide a wholesale discount pursuant to Section 251(c)(4) of the Act shall be the Retail Price for such Service set forth in Verizon's applicable Tariffs (or, if there is no Tariff Retail Price for such Service, Verizon's Retail Price for the Service that is generally offered to Verizon's Customers), less, to the extent required by Applicable Law: (a) the applicable wholesale discount stated in Verizon's Tariffs for Verizon Telecommunications Services purchased for resale pursuant to Section 251(c)(4) of the Act; or, (b) in the absence of an applicable Verizon Tariff wholesale discount for Verizon Telecommunications Services purchased for resale pursuant to Section 251(c)(4) of the Act, the applicable wholesale discount stated in Appendix A for Verizon Telecommunications Services</p>	

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				<p>purchased for resale pursuant to Section 251(c)(4) of the Act.</p> <p><i>2.0 INTERPRETATION AND CONSTRUCTION</i></p> <p><i>2.1 All references to Sections, Attachments, Exhibits and Schedules shall be deemed to be references to Sections, Attachments, Exhibits and Schedules to this Agreement unless the context shall otherwise require or as specifically provided herein. The headings used in this Agreement are inserted for convenience of reference only and are not intended to be a part of or to affect the meaning of this Agreement. Unless the context shall otherwise require or as otherwise specifically provided herein, any reference to any agreement, other instrument (including Verizon or other third party offerings, guides or practices), statute, regulation, rule or Tariff is to such agreement, other instrument, statute, regulation, rule or Tariff, as amended and supplemented from time to time (and, in the case of a statute, regulation, rule or Tariff, to any successor provision).</i></p> <p><i>2.2 The terms and conditions of any and all Attachments, Schedules and Exhibits hereto, as amended from time to time by mutual agreement of</i></p>	

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				<p><i>the Parties, are incorporated herein by reference and shall constitute part of this Agreement as if fully set forth herein. This Agreement shall be construed and/or interpreted wherever possible to avoid conflict between the provisions hereof and the Attachments, Schedules or Exhibits hereto. If any provision contained in this main body of the Agreement and any Attachment, Schedule or Exhibit hereto cannot be reasonably construed or interpreted to avoid conflict, the provision contained in this main body of the Agreement shall prevail.</i></p> <p>2.3 Each Party hereby incorporates by reference those provisions of its Tariffs that govern the provision of any of the services or facilities provided hereunder. Subject to the terms set forth in Section 20 regarding rates and charges, to the extent any provision of this Agreement and an applicable Tariff cannot be reasonably construed or interpreted to avoid conflict, the provision contained in this Agreement (including without limitation its Attachments, Exhibits and Schedules) shall prevail. In those instances where the Tariff and the Agreement address the same subject matter and there is no conflict, the more specific provisions shall prevail over the more general. The fact that a condition,</p>	

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				<p>right, obligation, or other term appears in this Agreement but not in any such Tariff or in such Tariff but not in this Agreement, shall not be interpreted as, or be deemed grounds for finding, a conflict for purposes of this Section 2.</p> <p>2.4 Other Definitional Provisions. The terms defined in this Agreement include the plural as well as the singular. Unless otherwise expressly stated, the words "herein", "hereof", "hereunder", and other words of similar import refer to this Agreement as a whole. The words "include" and "including" shall not be construed as terms of limitation. The word "day" or "days" shall mean calendar day(s) unless otherwise designated.</p> <p>20.2 Where there is an applicable Tariff, the rates and charges contained in that Tariff shall apply except if the Parties agree in writing that other rates and charges shall apply or if the Commission issues an effective order that other rates and charges shall apply. In addition, the rates and charges set forth in Exhibit A shall be superseded, on a prospective basis (unless the Commission, the FCC or other governmental body of competent jurisdiction orders that such new</p>	

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				<p><i>rates or charges be applied on other than a prospective basis (e.g., retroactive true-up), in which case the Parties shall comply with the terms of such order, to the extent that it is effective), by any new rate or charge when such new rate or charge is required by any order of the Commission, the FCC or other governmental body of competent jurisdiction, approved by the Commission, the FCC or other governmental body of competent jurisdiction, or otherwise allowed to go into effect, provided such new rates or charges are not subject to a stay issued by any court of competent jurisdiction; provided further that AT&T may not charge Verizon a rate higher than the Verizon rates and charges for the same services, facilities and arrangements.</i></p>	
IV-30	<p>Should the ICA contain a provision setting forth certain general principles regarding the price schedule, including: (1) the effective term of the rates and discounts provided in the ICA (effective for the length of the ICA unless modified by law or otherwise provided); (2) the principle that the rates set forth in Table I that reference existing Tariffs are subject to those Tariffs; and (3) the principle that the rates or discounts in Table I are to be replaced on a prospective</p>	<p>Attachment I, Section 1.1.</p> <p>Section 1. General Principles</p> <p>1.1 Unless otherwise provided in this Agreement, all rates and discounts provided under this Agreement shall remain in effect for the term of this Agreement unless modified by order of the FCC, Commission, or a court of competent jurisdiction reviewing an order of the FCC or Commission,</p>	<p>These provisions are needed to set forth basic principles regarding the price schedule that define the rights and obligations of the Parties, eliminate ambiguity, and provide a mechanism for altering the rates and discounts in the interconnection agreement in light of changing law.</p>	<p>PRICING ATTACHMENT</p> <p>1. General</p> <p>1.1 As used in this Attachment, the term "Charges" means the rates, fees, charges and prices for a Service.</p> <p>1.2 Except as stated in Section 2 or Section 3, below, Charges for Services shall be as stated in this Section 1.</p>	<p>Verizon's proposed interconnection agreement contains a separate Pricing Attachment that addresses WorldCom's resale concerns. For example, Verizon's Pricing Attachment refers the Parties to the applicable state tariff for the appropriate charges that are subject to the resale discount. This contractual commitment should satisfy WorldCom's issue.</p>

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	basis by FCC or State Commission approved rates or discounts, and setting forth a procedure whereby such approved rates will take effect?	as the case may be. To the extent that rates set forth in Table 1 below reference existing Verizon or MCI/Tariffs, those rates shall follow the referenced Tariffs. The rates or discounts set forth in Table 1 below shall be replaced on a prospective basis (unless otherwise ordered by the FCC or the Commission) by rates or discounts as may be established and approved by the Commission or FCC and, if appealed, as may be ordered at the conclusion of such appeal. Such new rates or discounts shall be effective immediately upon the legal effectiveness of the court, FCC, or Commission order requiring such new rates or discounts. Within thirty (30) days after the legal effectiveness of the court, FCC, or Commission order establishing such new rates or discounts and regardless of any intention by any entity to further challenge such order, the Parties shall sign a document revising Table 1 and setting forth such new rates or discounts, which revised Table 1 the Parties shall update as necessary in accordance with the terms of this Section.		<p>1.3 The Charges for a Service shall be the Charges for the Service stated in the Providing Party's applicable Tariff.</p> <p>1.4 In the absence of Charges for a Service established pursuant to Section 1.3, the Charges shall be as stated in Appendix A of this Pricing Attachment.</p> <p>1.5 The Charges stated in Appendix A of this Pricing Attachment shall be automatically superseded by any applicable Tariff Charges. The Charges stated in Appendix A of this Pricing Attachment also shall be automatically superseded by any new Charge(s) when such new Charge(s) are required by any order of the Commission or the FCC, approved by the Commission or the FCC, or otherwise allowed to go into effect by the Commission or the FCC (including, but not limited to, in a Tariff that has been filed with the Commission or the FCC), provided such new Charge(s) are not subject to a stay issued by any court of competent jurisdiction.</p> <p>1.6 In the absence of Charges for a Service established pursuant to Sections 1.3 through 1.5, if Charges for a Service are otherwise expressly provided for in this Agreement, such</p>	

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